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July 31, 2003

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Consolidated Application of General Motors Corporation,
Hughes Electronics Corporation, and The News
Corporation Limited for Authority to Transfer Control
(MB Docket No. 03-124) – Gemstar – TV Guide's
Response to Media Bureau Letter of July 15, 2003**

Dear Ms. Dortch:

Transmitted with this cover letter is the **HIGHLY CONFIDENTIAL** portion of the response of Gemstar – TV Guide International, Inc. ("Gemstar," "Gemstar – TV Guide," or "GTVGI") to the Media Bureau Chief's letter of July 15, 2003 to Gemstar requesting responses to certain "Discovery Requests" in connection with the instant proceeding. The Commission staff met with representatives of Gemstar and NewsCorp. on July 17, 2003 to clarify and limit the scope of the July 15 letter. See ex parte letter filed by William M. Wiltshire, July 18, 2003.

The enclosed proprietary and very competitively sensitive materials relating to specific contracts, business planning, patented technology, and the like, and warranting enhanced confidential protection, have been designated "Highly Confidential" under the Second Protective Order adopted by the Media Bureau on July 21, 2003. Additionally, proprietary and competitively sensitive materials designated "Confidential" under the [First] Protective Order adopted by the Media Bureau on May 21, 2003, are being transmitted under a separate cover letter. A

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(the Redacted Highly Confidential Filing)
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Marlene H. Dortch

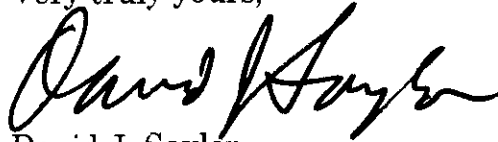
July 31, 2003

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"Redacted – For Public Inspection" submission, with cover letter, is also being filed contemporaneously herewith.

If you have any question regarding this submission, please contact me at your earliest convenience at (202) 637-8679.

Very truly yours,

A handwritten signature in black ink, appearing to read "David J. Saylor", written in a cursive style.

David J. Saylor

*Counsel for Gemstar – TV Guide
International, Inc.*

Enclosures (2 sets)

Cc w/ encls (2 sets):

Marcia Glauberman

Linda Senecal

**REDACTED – FOR PUBLIC INSPECTION
(the Redacted Highly Confidential Filing)**

Consolidated Application of General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited for Authority to Transfer Control (MB Docket No. 03-124)

**Gemstar-TV Guide's Responses to
Media Bureau Discovery Requests of July 15, 2003**

1. Identify each video programming network distributed in the U.S. that your company owns, controls, or in which it has an interest and for each such network state, separately for each year from 2000 through the present:

Response:

Gemstar owns three such networks: TV Guide Channel, EPG, Jr (a text-only guide), and TV Games (TVG).

a. the MVPD systems that distribute the network, and as to each identify:

1) the geographic areas in which it distributes the network,

Response:

For TV Guide Channel, see documents stamped GTVGI 000738-919.

For EPG, Jr, see GTVGI 000920-943.

For TVG, see GTVGI 000944-971.

Note: For "geographic area," Gemstar has used the city and state of the principal community in the MVPD system.

2) the date when the network was first carried,

Response:

For TV Guide Channel, see GTVGI 001426-1476.

For EPG Jr., see GTVGI 1476-1482.

Note: The information Gemstar is able to provide is based on records as to when the MVPD system was first billed. Generally, this first billing date should be an

accurate reflection of when the service was first received by the MVPD. As explained to the FCC staff on July 17, 2003, first billing date data for the period prior to January 1, 1999 comes from the legacy billing system and may be less accurate than more recent data.

- 3) all periods of time in which the MVPD's right to carry the network lapsed,**

Response:

With respect to all three networks, see GTVGI 001003.

- 4) the date of expiration of the contract under which the network is currently distributed,**

Response:

For TV Guide Channel, see GTVGI 000972-994.

For EPG, Jr., see GTVGI 000995-998.

For TVG, see GTVGI 000999-1002.

- 5) the number of subscribers to that MVPD who received the network,**

Response:

For TV Guide Channel, see GTVGI 000738-919.

For EPG Jr, see GTVGI 000920-943.

For TVG, see GTVGI 000944-971.

- 6) total revenues received by the company from the MVPD provider in exchange for distribution of the network and total revenue categorized by subscription fees, launch fees, and other sources of revenue (with a brief description),**

Response:

With respect to calendar years 2000 and 2001 (as discussed with the FCC staff on July 15, 2003), Gemstar is able to derive from its records annual license fee revenue attributable to each of Gemstar's Top 10 MSOs. For TV Guide Channel (see GTVGI 001348). For EPG Jr. (also see GTVGI 001348). There were no Top 10 MSO revenues for TVG in those years (see GTVGI 001348).

For more recent periods (as discussed), Gemstar is able to provide by MVPD system license fee revenue and ancillary revenue. With respect to TV Guide Channel in 2002, see GTVGI 001349-1384; and in first six months of 2003, see GTVGI 001390-1420. As for EPG Jr. in 2002, see GTVGI GTVGI 001385-1389, and in first six months of 2003, see GTVGI 001421-1425.

- 7) the number of advertising minutes made available for use by the MVPD,**

Response:

For all three networks, see GTVGI 001004.

- 8) incremental cost of distributing the network to the specific MVPD system.**

Response:

For all three networks, see GTVGI 001005.

- b. total revenues categorized by:**
- 1) subscription fees,**
 - 2) advertising revenues,**
 - 3) other sources of revenue (with a description).**

Response:

For all three networks, see GTVGI 001483.

- c. for each DMA, the viewer rating and share by:**
- 1) all persons,**
 - 2) persons aged 18-34,**
 - 3) persons aged 35-49,**
 - 4) persons aged 50 or higher.**

Response:

As discussed with the FCC staff on July 17, 2003, TVG and EPG Jr are not measured by Nielsen and therefore no viewer rating or share information is available for those services. With respect to TV Guide Channel, Gemstar does not have complete DMA data from Nielsen. Instead, Gemstar is able to provide

viewership data for TV Guide Channel for Gemstar's coverage area and nationally.
See GTVGI 001616-1652.

- d. costs categorized by:**
- 1) total costs,**
 - 2) total variable costs,**
 - 3) average total cost,**
 - 4) average variable cost.**

Response:

With respect to all three networks, see GTVGI 001484.

2. For each video programming network identified in response to question II.1 [sic], state:

- a. the launch date,**

Response:

With respect to TV Guide Channel, predecessor Prevue Channel was launched in 1988 and the name was changed to TV Guide Channel in 1999.

EPG Jr was launched in early 1985.

TVG was launched on June 15, 1999.

Same information is set forth in GTVGI 001653.

- b. the company's cost to develop or launch the network, including a description and quantification of each major category of costs,**

Response:

Because TV Guide Channel and EPG Jr were launched so long ago, detailed launch costs are not readily available. Major cost components include: transmission, programming, compensation, marketing/research, G&A, and capital expenditures.

For launch costs of TVG, see GTVGI 001653.

- c. the total number of MVPD subscribers who received the network during each year from launch to present.**

Response:

See GTVGI 001653.

- 3. Provide all plans, analyses, assessments or considerations of plans to modify, terminate or enter into new exclusive distribution arrangements for video programming networks, electronic program guides, or interactive program guides produced since January 1, 2000.**

Response:

See GTVGI 001006.

- 4. Identify separately for each electronic program guide and interactive program guide product offered or sold by Gemstar-TV Guide for each quarter from June 30, 2000, to the present:**

- a. the number of subscribers to MVPD providers carrying the product,**
- b. the number of MVPD subscribers with access to the product,**

Response for a. and b.:

With respect to TV Guide Channel, see GTVGI 001104-1111 (as of 6/30/00), 001120-1129 (9/30/00), 001138-1147 (12/31/00), 001156-1166 (3/31/01), 1175-1185 (6/30/01), 001194-1203 (9/30/01), 001213-1222 (12/31/01), 001232-1241 (3/31/02), 001251-1260 (6/30/02), 001270-1279 (9/30/02), 001289-1298 (12/31/02), 001308-1318 (3/31/03), 001328-1338 (6/30/03).

With respect to TV Guide Interactive, see GTVGI 001112-1115 (as of 6/30/00), 001130-1134 (9/30/00), 001148-1152 (12/31/00), 001167-1171 (3/31/01), 1186-1190 (6/30/01), 001204-1209 (9/30/01), 001223-1228 (12/31/01), 001242-1247 (3/31/02), 001261-1266 (6/30/02), 001280-1286 (9/30/02), 001299-1305 (12/31/02), 001319-1325 (3/31/03), 001339-1345 (6/30/03).

With respect to EPG Jr, see GTVGI 001116-1119 (as of 6/30/00), 001135-1137 (9/30/00), 001153-1155 (12/31/00), 001172-1174 (3/31/01), 1191-1193 (6/30/01), 001210-1212 (9/30/01), 001229-1231 (12/31/01), 001248-1250 (3/31/02), 001267-1268 (6/30/02), 001287-1288 (9/30/02), 001306-1307 (12/31/02), 001326-1327 (3/31/03), 001346-1347 (6/30/03).

Note: Where several MVPDs have a common MVPD owner, a total for the latter is also shown. (It is shaded in the documents.)

Note: For the portion of this response relating to TV Guide Channel and EPG Jr, Gemstar defined subscribers having "access to the product" as being all the basic subscribers of that MVPD. Gemstar used Nielsen data from the closest available time period for the number of basic subscribers. For some MVPDs, including SMATV and MMDS, no Nielsen data is available.

Note: For the portion of this response relating to TV Guide Interactive, Gemstar defined subscribers having "access to the product" as being the number of that MVPD's digital subscribers, regardless of what set-top box types are deployed. There being no Nielsen data as to each MVPD's digital subscribers, Gemstar relied upon press releases and SEC filings for the digital subscriber numbers.

c. the name of all competing electronic and interactive programming guide products and for each, provide:

- 1) the number of subscribers to MVPD providers carrying the product,**
- 2) the number of MVPD subscribers with access to the product,**
- 3) identify any ownership interests such competing provider has in any MVPD or video programming provider,**
- 4) the source from which the competing provider obtains program listings data.**

Response:

For this response, Gemstar has developed a document broadly estimating the number of MVPD subscribers served by competing electronic and interactive programming guide products. See GTVGI 001654-1655.

5. Identify separately for each electronic program guide and interactive program guide product offered or sold by Gemstar-TV Guide:

Response:

Currently Gemstar offers three such guides or guide products to MVPD systems: TV Guide Channel, EPG, Jr. (a text-only guide), and TV Guide Interactive.

- a. the MVPD systems that currently distribute the products, and as to each identify:**

Response:

Each such MVPD system, as of 6/30/03, is listed for TV Guide Channel (see GTVGI 001007-1044), EPG, Jr. (see GTVGI 001045-1047), and TV Guide Interactive (see GTVGI 001048-1078).

- 1) the geographic areas in which the product is provided to subscribers,**

Response:

TV Guide Channel (see GTVGI 001007--1044), EPG, Jr. (see GTVGI 001045-1047), and TV Guide Interactive (see GTVGI 001048-1078).

- 2) the date when the product was first carried,**

Response:

For TV Guide Interactive, see GTVGI 001546-1595.

- 3) all periods of time in which the right to carry the product lapsed,**

Response:

For all three, see GTVGI 001087.

- 4) the date of expiration of the contract under which the product is distributed,**

Response:

For TV Guide Interactive customer contracts active as of 12/31/02 (see GTVGI 001079) and as of 6/30/03 (see GTVGI 001083-1086).

- 5) the number of MVPD subscribers,**

Response:

TV Guide Channel (see GTVGI 001007--1044),
EPG, Jr. (see GTVGI 001045-1047), and
TV Guide Interactive (see GTVGI 001048-1078).

- 6) the number of MVPD subscribers who have access to the product,**

Response:

TV Guide Channel (see GTVGI 001007-1044),
EPG, Jr. (see GTVGI 001045-1047), and
TV Guide Interactive (see GTVGI 001048-1078).

- 7) total revenues received in exchange for distribution of the product and total revenue should be further categorized by subscription fees, launch fees, advertising revenue, and other sources of revenue (with a brief description),**

Response:

With respect to TV Guide Interactive for calendar 2002, see GTVGI 001485-1519, and for first half of calendar 2003, see GTVGI 001520-1545.

- 8) the quantity and percentage of advertising made available for sale by the MVPD provider,**

Response:

For all three, see GTVGI 001087.

9) incremental cost of distributing the network to the specific MVPD system.

Response:

For TV Guide Interactive, see GTVGI 001-87.

For TV Guide Channel and EPG Jr., see Response to 1.a.8., *supra*.

b. current costs categorized by:

- 1) total costs**
- 2) total variable costs**
- 3) average total cost**
- 4) average variable cost**

Response:

Separately for calendar year 2002 and for calendar year to date June 30, 2003, for TV Guide Interactive , TV Guide Channel, and EPG Jr., see GTVGI 001088.

6. Identify separately for each granted, pending, or licensed patent used in an electronic program guide or interactive program guide product sold, or under development, by Gemstar-TV Guide:

a. the owner,

Response:

See GTVGI 001089-1090, GTVGI 001092-1095

b. all known licensees,

Response:

For other than MVPDs, see GTVGI 001090.

For MVPDs, GTVGI 001091, and also the Response to Request 5.a.1. relating to MVPDs with TV Guide Interactive (GTVGI 001048-1078).

c. the status and expiration date of the patent,

Response:

See GTVGI 001092-1095.

d. the products that use the patent,

Response:

See GTVGI 001091.

e. a description of any litigation, past or present, involving the patent, including a description of the outcome or current status of the litigation.

Response:

See GTVGI 001096-1103.

7. Provide all surveys, studies, analyses, and other documents produced since January 1, 2001 regarding consumer usage and attitudes toward electronic and interactive program guides and substitution between these products and alternatives, including, but not limited to, newspaper, magazine, and internet-based program schedules and information.

Response:

The search of Gemstar's TV & Cable Group Research Department revealed a number of responsive documents submitted herewith. See GTVGI 000001-737.

8. Identify all competing producers of program listings data, and for each state:

- a. the share of the competing producer of program listings data in:**
- 1) printed program listings**
 - 2) program listings delivered via electronic program guides**
 - 3) program listings delivered via interactive program guides**

Response:

Some information regarding principal competitor Tribune Media Services, and also TV Data which Tribune Media Services acquired in 2001, is set forth in the accompanying documents. See GTVGI 001658-1660, as well as GTVGI 001596-1607, 001661, and 001662-1665.

- b. the differences between the competing program listings data and Gemstar-TV Guide program listings data.**

Response.

See GTVGI 00001658-1660, as well as GTVGI 001596-1607, 001661, and 001662-1665.

- 9. Provide all surveys, studies, analyses, and other documents produced since January 1, 2001 regarding consumer usage and attitudes toward electronic and interactive program guides and substitution between these products and alternatives, including, but not limited to, newspaper, magazine, and internet-based program schedules and information.**

Response:

Identical to Request 7. See Response to 7.

Definitions

For purposes of responding to these requests,

- 1. The phrase “Gemstar-TV Guide” means Gemstar-TV Guide International, Inc., its subsidiaries and any affiliate in which it or a subsidiary owns a 10% or greater interest.**
- 2. The term “MVPD” means, and information shall be provided separately for:**
 - a. the local distribution of video programming through terrestrial-based cable transmission facilities by a cable operator or broadband service provider,**
 - b. direct broadcast satellite and direct-to-home services that transmit video programming directly from one or more satellites to subscribers,**
 - c. the local distribution or provision of video programming through any other means including, but not limited to, MMDS, SMATV, OVS, and facilities of common carrier telephone companies or their affiliates.**

3. The phrase “video programming” means all services, channels, or networks (including interactive capabilities) delivered downstream, and, where applicable, upstream, via satellite, coaxial cable, fiber optic transmission, terrestrial microwave, or other distribution technology to and from end-user customers and subscribers whether in analog or digital format and information shall be provided separately for:

- a. the delivery or sale of video programming to MVPD providers,**
- b. the acquisition or purchase of video programming by MVPD providers,**
- c. the distribution of broadcast TV signals to MVPD providers for retransmission to their subscribers pursuant to a retransmission consent or must-carry election by the broadcaster.**

4. The phrase “MVPD system” means the area served by a single headend belonging to a wireline MVPD provider such as, but not limited to, a cable system, open video system, or broadband service provider.

5. The phrase “interactive program guide” means an on-screen listing of television program information with interactive functions that enable viewers to navigate through television programming schedules and/or select programming services. An example of this product would be the TV Guide Interactive product.

6. The phrase “electronic program guide” means an on-screen listing of television program information that lacks interactive functionality. An example of this product would be the scrolling program guide of the TV Guide Channel network.

7. The phrase “program listings data” means a collection of information on the time, channel, duration, and/or content of video programming.

8. The phrase “surveys, studies, analyses, and other documents” means final and draft plans, reports, and other such documents, but not information discussions and comments such as e-mails and notes.

Documents listed below as Confidential and Highly Confidential were redacted in their entirety:

<u>Bates Ranges</u>	<u>Document Status</u>
000001 – 000737	Confidential <i>Not for public inspection</i>
000738 – 001088	Highly Confidential <i>Not for public inspection</i>
001089 – 001595	Highly Confidential <i>Not for public inspection</i>
001596 – 001607	Confidential <i>Not for public inspection</i>
001608 – 001615	Bates Range Intentionally Not Used
001616 - 001652	Confidential <i>Not for public inspection</i>
001653 – 001655	Highly Confidential <i>Not for public inspection</i>
001656 - 001657	Bates Range Intentionally Not Used
001658 - 001660	Confidential <i>Not for public inspection</i>
001661 – 001665	For Public Inspection